

PUBLIC WORKS AND UTILITIES COMMITTEE

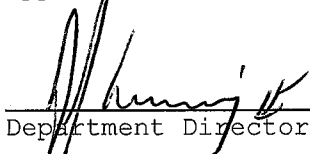
11-0506R

RESOLUTION AMENDING RESOLUTION NO. 11-0153 INCREASING
THE NUMBER OF AUTHORIZED AUDITS TO 400 AND INCREASING
THE FUNDING THEREFORE BY \$40,000.

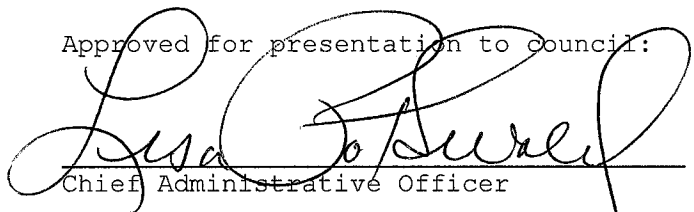
CITY PROPOSAL:

RESOLVED, that City Council Resolution No. 11-0153 authorizing advanced home energy audits under the advance home energy audit program is hereby amended by increasing the number of audits authorized under the program from 200 to 400 and by increasing the authorized cost thereof from \$40,000 to \$80,000, the increased amount to be payable from Fund 555-500-5441 (home energy conservation, public works and utilities).

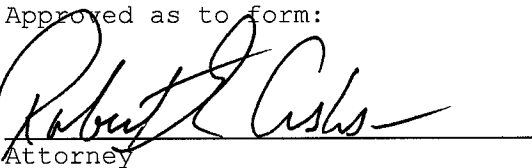
Approved:


Department Director

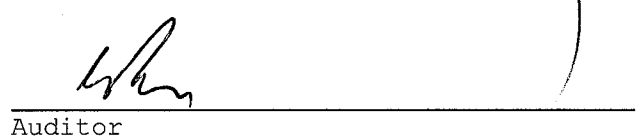
Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

PW&U/ATTY REA:dma 09/26/2011

STATEMENT OF PURPOSE: The purpose of this amendment is to increase the number of audits authorized from 200 up to 400 audits by April 1, 2012 and to increase the total authorized cost of audits from the currently authorized \$40,000 up to a maximum of \$80,000.

As of September 1, 2011, 131 audits have been performed or are pending through the program. The program will use the listed advanced home energy audit performance contractors in partnership with Minnesota Power which will share the program costs with Public Works and Utilities. The program is used to assess customer interest and participation levels, to track auditor recommendations and

customer implementation of recommendations, determine the market price of these enhanced audits, customer willingness to pay for a portion of their audit, and provide audit results for use in ComfortSystems residential energy conservation program, Minnesota Power's residential programs, and the Duluth Energy Efficiency Program.

Regulations of the state of Minnesota require that the City expend an amount equal to one-half of one percent of its gross revenues from the gas utility on energy conservation programs and reduce customer gas use by one percent of gross sales. For some years the City has had a free energy conservation program designed to assist home owners in paying for energy improvements; however, nothing besides a basic walk through energy survey has been available to identify measures and quantify savings. There has been no guidance provided to customers to select contractors to implement efficiency and conservation measures after a measure has been identified. A crucial component for sustainable and quantifiable program results is to establish a network of trained home performance audit contractors and air sealing and insulation contractors that can serve homeowners seeking air leakage services. In addition, the City's present level of funding use would not meet the State's requirements and, if the City does not expend the entirety of the required amount, the State can require that the unused amount be given to them.

Audits would be performed for residential customers limited to the budgeted funds allocated by the council each year with any projects not funded in one year eligible in the next year.